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Terry Goddard Announces \$14 Million Settlement in Paxil Case

(Phoenix, Ariz. – March 28, 2006) Attorney General Terry Goddard today announced a \$14 million, multi-state settlement with GlaxoSmithKline (GSK) over allegations that it sought to block less expensive generic versions of the drug Paxil, causing the states to pay higher prices. Arizona's share of the settlement is \$129,000.

The settlement resolves claims that GSK delayed generic competition by fraudulently listing and pursuing litigation concerning paroxetine hydrochloride, which GSK sells as Paxil. The drug is used to treat depression, anxiety, and obsessive-compulsive disorders.

"This drug company pursued frivolous lawsuits to maintain its patent protection and its monopoly for this popular drug," Goddard said. "As a result, consumers and states were charged inflated prices."

Goddard joined Attorneys General from 49 states and the District of Columbia in this settlement. The settlement secures recovery primarily for Medicaid purchases.

Arizona joined the settlement to help recover monies paid for the drug to GSK from the Arizona Health Care Cost Containment System, the Arizona Department of Health Services, Arizona State Hospital, Arizona Department of Corrections, Arizona State University, University of Arizona and Northern Arizona University. The settlement money will be distributed to the state general fund.

The multi-state settlement is separate from a class-action settlement in *Nichols v. SmithKlineBeecham Corp.* Any consumers who believe they may be affected by this settlement should visit the settlement administrator's Web site at www.paxilclaims.com for more details. The states were not parties to this class-action case.